real meaning of capital. Marbles to play with, houses to live in, motor-cars to go joy-riding in—all these are assets which can be disposed of, and so, in a sense, may be called capital. But the business-like meaning of the word is the tools and equipment of industry, because it is only by their possession that the wealth of mankind not only increases man's present enjoyment, but enhances his future output of the goods necessary for his existence.

If we take the word in this sense it becomes at once apparent that the theory is exaggerated which maintains that war is destroying capital, so that capital will long be at a famine price. The extent to which war is actually destroying the tools and equip-ment of industry is quite limited. On the actual battlefield that sort of destruction proceeds apace when factories are shelled into shapeless lumps of bricks, and when the surface of the earth, that man's skill had developed into great productive fertility, is torn into craters and covered with rubbish. There is also rapid destruction of a very important part of the equipment of industry owing to the submarine campaign, which is sinking so many fine ships that were meant to carry goods from one country to another. But, apart from this actual destruction on the battlefield and on the sea, the tools and equip-ment of industry over the greater part of the earth

remain untouched. It is true that, owing to the preoccupations of the war, not so much work as usual is being put into the upkeep and repair of our railways, factories and other industrial tools. But at the same time an enormous amount of new